

1 HB281
2 147578-1
3 By Representative Wood
4 RFD: State Government
5 First Read: 14-FEB-13

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8 SYNOPSIS: Under existing law, capital police officers
9 are not under the same retirement system as state
10 troopers.

11 This bill would further define State
12 Policeman under the Employees' Retirement System to
13 include capital police officers and certain
14 employees of the Department of Public Safety.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

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20 To amend Section 36-27-1 of the Code of Alabama
21 1975, as last amended by Act 2012-377, 2012 Regular Session,
22 relating to definitions under the Employees' Retirement
23 System; to include capital police officers.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Section 36-27-1 of the Code of Alabama
26 1975, as last amended by Act 2012-377, 2012 Regular Session,
27 is amended to read as follows:

1 "§36-27-1.

2 "When used in this article, the following terms
3 shall have the following meanings, respectively, unless the
4 context clearly indicates otherwise:

5 "(1) RETIREMENT SYSTEM. The Employees' Retirement
6 System of Alabama as defined in Section 36-27-2.

7 "(2) EMPLOYEE. Any regular employee of the State of
8 Alabama whose salary is paid by state warrant by the state,
9 except a member of the Legislature of the state, a person who
10 is covered or eligible to be covered under the Teachers'
11 Retirement System of Alabama or any other retirement system to
12 which contributions are made by the state, an elective
13 official of the state government, and a temporary employee or
14 person engaged under retainer or special agreement. In all
15 cases of doubt the Board of Control shall determine who is an
16 employee within the meaning of this article. The term shall
17 include any regular employee of the Alabama state hospitals
18 and Partlow State School and Hospital and the Alabama State
19 Port Authority, however paid.

20 "(3) EMPLOYER. The State of Alabama or any
21 department, commission, institution, or any other agency of
22 and within the state by which an employee is paid, including
23 employers as provided in Section 36-27-6.

24 "(4) MEMBER. Any employee included in the membership
25 of the system as provided in Section 36-27-4.

26 "(5) BOARD OF CONTROL. The board provided for in
27 Section 36-27-23 to administer the retirement system.

1 "(6) MEDICAL BOARD. The board of physicians provided
2 for in Section 36-27-23.

3 "(7) SERVICE. Service as an employee paid for by an
4 employer.

5 "(8) PRIOR SERVICE. Service rendered prior to the
6 date of establishment of the retirement system for which
7 credit is allowable under Section 36-27-11.

8 "(9) MEMBERSHIP SERVICE. Service as an employee
9 rendered while a member of the retirement system and on
10 account of which contributions are made.

11 "(10) CREDITABLE SERVICE. "Prior service" plus
12 "membership service" rendered since last becoming a member.

13 "(11) BENEFICIARY. Any person in receipt of a
14 pension, an annuity, a retirement allowance or other benefit
15 as provided by this article.

16 "(12) REGULAR INTEREST. Interest compounded annually
17 at the rate determined by the Board of Control in accordance
18 with subsection (f) of Section 36-27-25.

19 "(13) ACCUMULATED CONTRIBUTIONS. The sum of all the
20 amounts deducted from the compensation of a member credited to
21 his or her individual account in the Annuity Savings Fund,
22 together with regular interest thereon, as provided in Section
23 36-27-24.

24 "(14) EARNABLE COMPENSATION. The full rate of
25 compensation that would be payable to an employee if he or she
26 worked the full normal work-time. In cases where compensation
27 includes maintenance, the Board of Control shall fix the value

1 of that part of the compensation not paid in money. Earnable
2 compensation shall not exceed the limitations imposed by
3 Section 401(a) (17) of the Internal Revenue Code for public
4 pension funds, except that any employee who was a member of
5 the Employees' Retirement System before the first plan year
6 beginning after December 31, 1995, shall not be subject to the
7 earning limitations set forth in Section 401(a) (17). For Tier
8 I plan members, the term earnable compensation for retirement
9 purposes shall not include subsistence payments that are made
10 to a member and shall include overtime payments that are made
11 to a member; however, earnable compensation shall not exceed
12 120 percent of any members' annual base compensation as
13 certified by the employer. For Tier II plan members, earnable
14 compensation shall include overtime payments that are made to
15 the member but shall not include subsistence payments that are
16 made to the member and shall not exceed one hundred
17 twenty-five percent (125%) of the member's annual base
18 compensation, as certified by the employer.

19 "(15) AVERAGE FINAL COMPENSATION. For any Tier I
20 plan member, the average annual compensation of the member,
21 with respect to which he or she had made contributions
22 pursuant to subsection (b) of Section 36-27-24 during the
23 three years, in his or her last 10 years of creditable service
24 for which the average is highest or during his or her entire
25 period of creditable service if less than three years; except,
26 that for any period prior to November 1, 1959, the
27 compensation used in computing the average shall include

1 compensation in excess of the maximum amount with respect to
2 which members were required to contribute. For any Tier II
3 plan member, the average annual compensation of the member,
4 with respect to which he or she has made contributions
5 pursuant to subsection (b) of Section 36-27-24 during the five
6 years, in his or her last ten years of creditable service for
7 which the average is highest or during his or her entire
8 period of creditable service if less than five years.

9 "(16) ANNUITY. Payments for life derived from the
10 "accumulated contributions" of a member. All annuities shall
11 be payable in equal monthly installments.

12 "(17) PENSION. Payments for life derived from money
13 provided by the employer. All pensions shall be payable in
14 equal monthly installments.

15 "(18) RETIREMENT ALLOWANCE. The sum of the "annuity"
16 and the "pension."

17 "(19) RETIREMENT. Withdrawal from active service
18 with a retirement allowance or optional benefit in lieu
19 thereof granted under this article.

20 "(20) ANNUITY RESERVE. The present value of all
21 payments to be made on account of any annuity or benefit in
22 lieu of any annuity computed upon the basis of the mortality
23 tables adopted by the Board of Control and regular interest.

24 "(21) PENSION RESERVE. The present value of all
25 payments to be made on account of any pension or benefit in
26 lieu of any pension computed upon the basis of the mortality
27 tables adopted by the Board of Control and regular interest.

1 "(22) ACTUARIAL EQUIVALENT. A benefit of equal value
2 when computed upon the basis of the mortality tables adopted
3 by the Board of Control and regular interest.

4 "(23) STATE POLICEMAN. An employee in the classified
5 service under the Merit System Act approved by the State
6 Personnel Board to perform the duties of highway patrolman,
7 capital police officer, employee of the Department of Public
8 Safety classified as an investigator, or a beverage control
9 agent, or a crime investigator. The term shall not include a
10 member employed as a policeman under Section 36-27-6.

11 "(24) TIER I PLAN. The defined benefit pension plan
12 provided by the Retirement System to Tier I plan members.

13 "(25) TIER II PLAN. The defined benefit pension plan
14 provided by the Retirement System to Tier II plan members.

15 "(26) TIER I PLAN MEMBER. Any member of the
16 Retirement System who had service for which he or she received
17 credit in the Employees' Retirement System or in the Teachers'
18 Retirement System prior to January 1, 2013.

19 "(27) TIER II PLAN MEMBER. Any member of the
20 Retirement System who first began eligible employment with an
21 Employees' Retirement System or a Teachers' Retirement System
22 participating employer on or after January 1, 2013, and who
23 had no eligible service in the Employees' Retirement System or
24 the Teachers' Retirement System prior to January 1, 2013."

25 Section 2. This act shall become effective on the
26 first day of the third month following its passage and
27 approval by the Governor, or its otherwise becoming law.

